

Exhibit G



State of North Carolina
Department of Environment, Health and Natural Resources
Winston-Salem Regional Office

James G. Martin, Governor
William W. Cobey, Jr., Secretary

DIVISION OF ENVIRONMENTAL MANAGEMENT
GROUNDWATER SECTION

Margaret Plemmons Foster
Regional Manager

November 20, 1992

MEMORANDUM

TO: George Matthis, Administrative Group

FROM: Cindy Rintoul, WSRO

SUBJECT: Eligibility Determination
Faircloth Grocery
5637 South NC 49
Burlington, Alamance County, North Carolina
Incident #6160

Enclosed is the information needed to make a determination of eligibility for Trust Fund reimbursement. This is the site that we talked about briefly a few days ago with regards to the up coming legal action and the possibility of third party costs. This is also the site where tanks were removed in 1984.

I have included information with this letter that hopefully helps you determine the eligibility of this site for reimbursement. Much information was taken from a CSA that rejected (not accepted as complete and possibly containing erroneous information). It appears they are eligible for reimbursement from the Commercial Fund for current tanks if they are leaking.

1. In November, 1984, three (3) gasoline USTs were removed from the site. Condition of soil and/or tank unknown.
2. Mr. Pritchett owns the UST system installed after the removal of the tanks in '84. According to the application the tanks are still in use and discovery of the leak occurred in March of 1992. However, the P.I.R.F. form filled out in 12-17-90 indicates there was contamination identified with a kerosene tank pulled in 8-89. In addition, a Notification of Federal Release Response Requirements for Owners and Operator dated 11/28/89 notified Mr. Pritchett that he must identify the extent of the contamination by March 28, 1990.
3. Groundwater on the site has been impacted but the full

horizontal and vertical extent of the contamination is not known at this time. There is compelling evidence that contamination from this site has migrated off-site and contaminated nearby domestic water supply wells with a principal contaminant being MTBE, a constituent that is sometimes added to gasoline (not kerosene). In a December 20, 1991 letter from our office to Mr. Pritchett notified him that he was the primary potential source for the contamination of wells in the area. Samples taken as far back as July, 1990 indicate low levels of MTBE contamination.

My question is: Is the reporting criteria for releases discovered after July 1, 1991 (see application) being met or does it have to be? Could this leak be due to the tanks removed in 1984? Is it reasonable to assume that this leak could have been discovered if the full extent of the contamination were identified as required in the 11/28/89 and the 12/20/91 letters? (First water sample due to complaint taken in July, 1990.)

Please advise.

Thanks.